

MINSTER LOCAL SCHOOLS
5 YEAR FORECAST EXPLANATIONS
June 30, 2007

REVENUES

1. Real Estate Taxes-increase based upon new construction estimated at 1.46%--2007, 1.13%-2008, 1.56%-2009, 1.58%-2010, 1.58% 2011. Rates of growth are based upon historical values. Appraisal years are built into the formula as well. In January, certificate was received. Increase in valuation for real estate residential agriculture is 1.3% (1% was initially forecasted) and value for commercial real estate increased 12%.
2. Personal Tangible Taxes-Decrease in FY07 due to receiving \$300,000 of the October settlement in June 2006 to meet current expenses. Continual decreases FY2007 and beyond due to the phasing out of all personal/tangible tax revenue due to the passage of HB66 in FY2005. Amounts used for each fiscal year based upon the TPP worksheet provided by the department of taxation and 25% reduction of values each year. Certificate received in January shows an increase with \$1,145,750 in October. The May settlement is based upon prior year actual.
3. Includes Income Tax received in April.
4. Unrestricted Aid-State foundation based upon estimated October ADM count week and prior year actual. Increase is due to estimated formula aid and transitional aid guarantees. Beginning in year 2008, an additional amount is shown due to the decrease in valuation—amount based upon valuations adjusted for phase out of personal/tangible. Increase in SF-3 for 2007-08 based on increased enrollment in kindergarten. Could dramatically change depending on biennial budget currently in the Senate and the proposed amendment.
5. Restricted Aid-State subsidy for bus purchase and for SF-3 payment for career tech.
6. Property Tax Allocation-Rollback and homestead exemption received by the State. This is a percentage of total tax certified by the County auditor and based upon historical percentages. The Dept. of Taxation now charges a fee for administering the rollback payments of approx. \$6,600 per year. Amounts include the CAT tax replacement revenue direct payments as shown on the TPP worksheet from the department of taxation.
7. All Other Revenues-Includes interest, class fees for High School and elementary, donations and rentals. In FY2007, revenue is decreased due to the closing of the Community School and elimination of driver's education fees due to contracting that service to AAA.
8. Transfers In-Amount required to be transferred to the special set-aside general fund for instructional materials/supplies/equipment. Often not spent due to cash flow deficiencies. The amount not spent must be reserved and is not available to certify contracts.

EXPENDITURES

1. Personal Services: Include salaries for all personnel at current contract rates--0% Fy2007 and FY2008. . Incremental step increase average over next 5 years with current staff levels for FY07 is 1.02%. FY07 and FY08 (salaries spread over 2 years) includes reductions in force for financial reasons of 3 middle school teachers, 1 high school teachers, 1 principal, the technology coordinator, ½ time HS librarian, ½ middle school Spanish teacher, non-replacement of retiring HS secretary, reduction of 7 supplemental positions (6 coaching & 1 yearbook photography) hiring 2 aides to cover the elementary and HS librarian, hiring a transportation director (previously covered by HS principal), hiring an intervention specialist, and decrease in salary for contracting driver's education to AAA (no cost to the district). These will be ongoing salary savings. NO estimated severances planned at this time due to the high number of staff that have 30 + years and the incentive offered by STRS to stay 35 years. With the passage of the levy, salaries added for 2007-08 include for a technology coordinator, intervention specialist, music/band teacher, and assistant principal. Includes severance for 1 employee in FY2008
2. Retirement and benefits: Based upon enrollees. And estimated a 15% increase in health insurance rates each January which is actually a 7.5% increase for 2007 and 15% per fiscal year thereafter. Decrease in FY07 due to reductions in force and attrition.
3. Purchased Services: Includes excess costs for FY07 offset by IDEA Part-B grant dollars. Includes natural gas at a rate lower than prior year (\$63,000) which includes true-up from 2005-06 year. Includes deduction from foundation for community school students in the amount of \$49,000. Lower risk insurance payments and little if any professional development costs. Increase in FY07 of excess costs as the ESC will not have federal grants for their special needs and virtual community schools to offset the charges to schools with enrolled students and a 3%

overall increase in excess costs. Increase also in post secondary options due to number of students attending PSEOP in FY06 (charged in arrears--\$30,000)). Decrease in FY07 of \$854,693 due to the closing of the Minster Community School. Audit scheduled for every other year beginning in FY07. Also includes contracting with WOCO for technology coordinator for 2 days per week.

4. Supplies and Materials: Required set-aside for FY07 is \$111,000. Additional increases due to purchasing textbooks for science and advanced placement class costs. Also includes per copy copier cost for instruction and cleaning supplies. Decrease in FY07 of gas for driver's ed. Includes AP texts and materials for FY07 and \$25,000 for textbooks thereafter. FY08 includes purchase of science textbooks district-wide.
5. Capital Outlay: In FY07, the amount is for Smart boards purchased (originally to be reimbursed by the Community School) and a minimal amount is budgeted to replace printers throughout the district if needed. In FY2008 through 2011, \$100,000 is budgeted to replace outdated technology.
6. Other: Includes fees withheld by the county auditors for tax collections. Increase due to financial audit in FY07. Minimal attorney fees budgeted as this is not a negotiations year. This will vary from year to year based upon the 2 year audit cycle and negotiations.